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INTRODUCTION BY THE ADMINISTRATOR

I. OVERVIEW OF 1994

A. Changing international relations: broader participation and global compacts

1. It became more apparent than ever during 1994 that development is a complex and multidimensional process. Concentration on any one aspect alone will not achieve the desired result. Sustainable human development - a concept introduced by UNDP in 1993 - must advance on the interlinked fronts that now form the driving forces of UNDP operations.

2. The international community, collectively and individually, is becoming more acutely aware of the essentials of this approach to development. The principal formal event of 1994 was doubtless the International Conference on Population and Development. The Conference was particularly notable for the wide participation of representatives of civil society. This continued a trend started at the United Nations Conference on Environment and Development - a trend that grew at the World Summit on Social Development this year and will be further strengthened at the Fourth World Conference on Women.

3. The agreements that the international community reaches in its global conferences constitute a far-reaching series of compacts for the future of the world and its people. The United Nations has an obligation to the peoples of the world and to itself to remind nations of their commitments, to support global, regional, national and local efforts towards the attainment of shared goals, and to organize itself accordingly.

4. As the United Nations approaches the fiftieth anniversary of its establishment, there is much talk of reform to ensure that the Organization reflects the realities of the present and the discernable challenges of the future. Wars between major powers and colonialism - the dominant concerns of the early years of the United Nations - have given way to concern for the distribution of economic power, access to the natural resources of the planet, the application of human rights, ethnic strife and the persistence of poverty. The distinction between people and government, always at the heart of the Charter, is being re-emphasized. The effectiveness and relevance of the diverse entities, known collectively as the United Nations system, together with the appropriateness of their governance and the linkages between them, are under ongoing scrutiny.

5. It is against this background of change in international relations, search for a new world order, and profound review of the purpose, functions and structure of the United Nations that UNDP has to be viewed and in which it has to carry out its mandate for sustainable human development, endorsed by the Executive Board in its decision 94/14 adopted at the annual session in 1994.

B. The UNDP response and focus

6. At its fortieth session, the Governing Council invited the new Administrator to share with it his views on the future directions the organization should take. Consequently, after consultation both within and outside the organization, the Administrator personally presented to the Executive Board in February 1994, his "Agenda for change" - his vision for the future role and principal goals of UNDP. In March, a meeting of all UNDP senior staff members was convened in Rye, United States of America, primarily to ensure a common understanding of the "Agenda for change" and to draw up a plan for its operationalization. On this basis, the Administrator submitted a report entitled "Initiatives for change" (DP/1994/39) to the Board in June 1994.

7. In its decision 94/14, the Executive Board commended the Administrator on his report and agreed "that the overall mission of UNDP should be to assist programme countries in their endeavour to realize sustainable human development, in line with their national development programmes and priorities". It went on to encourage "the Administrator to continue his efforts to focus the programme of UNDP by operationalizing the three goals and four priority areas outlined in the report (DP/1994/39), taking into account the views expressed at the 1994 annual session and the ongoing discussions on the successor arrangements to the fifth programming cycle". In so doing, the Board emphasized "that national priorities shall be the primary determinant of UNDP-supported programmes, which must remain country-driven".

8. In document DP/1995/31, the Administrator reports, as requested by the Executive Board, on his progress in moving the agenda of UNDP forward.

C. Broadening the concept of development activities

9. An overview of the work of UNDP in 1994 is given in the main programme record (DP/1995/30/Add.1). UNDP activities reflect the diversity of the mandates accorded to the organization as well as to other funds and programmes under the responsibility of the Administrator. The activities undertaken also reflect the evolving appreciation of what constitutes sustainable human development. Until a few years ago, development was interpreted essentially in narrow socio-economic terms. Increasingly, the importance of popular participation in and sound governance of the development process has been recognized and supported.

10. Part of the general mandate of UNDP is support to broad participation in development. Many UNDP-supported programmes and projects are bringing participation and empowerment to poor people. For example, in Sri Lanka, an integrated rural development programme has mobilized over 700 community groups and helped them to secure access to services and resources. Simultaneously, grass-roots development activity is under expansion in over 100 villages, a non-governmental organization (NGO) consultative committee has been set up, and a network for rural savings and credit established. This UNDP-supported initiative has shown the way for improved interaction between governmental and non-governmental institutions.

11. In Sudan, the five area development schemes (ADS), launched several years ago with major support from UNDP, have brought participation and empowerment to thousands of poor people, especially women, and are regarded as a model for other parts of the country as well as for other countries. As in Sri Lanka, credit is a major component of the programme.

12. UNDP took several specific initiatives in 1994 to promote greater participation by the potential actors and beneficiaries of development.

13. The Conference on Peace and Development, held in Honduras in October 1994, represented the climax of a sustained effort by the countries of the region, supported throughout by UNDP, to build consensus on the issues of peace and democratization in Central America. The Conference brought together representatives of Governments, the private sector, cooperatives, trade unions, indigenous communities, universities, regional organizations and the donor community. As one result, the dialogue with civil society has been institutionalized.

14. A major step towards empowerment is the holding of free and fair elections based on universal suffrage. Collaborating closely with the Electoral Assistance Division of the United Nations, UNDP has responded to an increasing number of requests relating to the introduction or enhancement of the electoral process: in Africa - Chad, Ethiopia, Mozambique, Togo and Uganda; in Latin America - Brazil. United Nations Volunteers (UNV) specialists were associated with several of these events, notably as electoral observers and facilitators in Mozambique and South Africa.

15. Other UNDP-supported initiatives have aimed to ensure access to due process and acquired rights. For instance, an International Ombudsman Workshop was held

in Russia as part of the Democracy, Governance and Participation (DGP) programme for the States of Eastern Europe and the former Soviet Union. In Ecuador, the second phase of a humanitarian training programme for armed forces covered issues of human rights.

16. In all the above examples, UNDP was responding to requests from the countries concerned. In areas as sensitive as these, the United Nations has a clear comparative advantage as a partner: the requesting countries are themselves members of the organization and party to its mandates. Within the United Nations system, UNDP has a mandate allowing flexibility of response and an extensive network of country offices staffed by persons with knowledge and experience of the countries as well as access to global expertise.

D. Governance

17. The need for public sector - including civil service - reform in many countries has long been apparent. It has become acute in those countries in transition from centrally planned to market-led economies. Attention has focused in recent years on Eastern Europe and the former Soviet Union, but the challenge extends to several Asian and African countries undergoing a similar transition. In Viet Nam, UNDP is helping with reform of the legal, financial and monetary systems, with particular emphasis on social adjustment concerns. It has been assigned the main responsibility for support to the Government in the coordination and management of external cooperation resources. Similar activities are under way in every continent, from the privatization programme in Peru, to the administration and fiscal reforms in Lebanon and civil service reform in Zambia.

18. A major study of capacity development, commissioned by UNDP, was completed in 1994. Its principal finding, closely corroborated by an analysis by UNDP of its own experience, was that the major obstacles to capacity development in many countries lie, not in the area of capacity- or institution-building, but in the effective networking utilization and retention of capacity that already exists. Too often the potential of capacity is not realized because the enabling environment is inimical. Incentives and other motivations are lacking, salary structures and other features of labour markets are rigid, preventing the appropriate rewards flowing to productivity and merit.

19. The conclusion of this recent analysis underscores the crucial importance of governance: responsiveness and accountability to the people and an effective, efficient public sector, providing an enabling environment in which the talents and capacity of individuals can find their expression and their just reward in the larger society. For development to meet its goals, capacity-building alone - while necessary - is insufficient: capacity utilization and retention must receive attention if the vast resources invested in human and institutional capital are to yield the desired results. Concern for governance is thus part of concern for sustainability in development.

E. Human Development Report

20. The Human Development Report (HDR) for 1994 focused on human security. The success of this series has led to demand from several countries for assistance in the preparation of national HDRs, particularly in Africa, Asia and the Pacific and in the countries of Eastern Europe and the Commonwealth of Independent States. In the latter, more than 20 such reports were under preparation.

21. In Egypt, UNDP supported the National Human Development Report and Strategy covering all 26 governorates. The subsequent meeting of governors, reallocation of budgets in favour of the poorest regions, and extension of follow-up actions at the grass-roots level are important contributions to the future development of the country. Ten other countries in the Arab States region have expressed interest in national HDRs and the Egyptian experience will be made available to them through a UNDP-funded workshop.

22. In the Asia and Pacific region, HDRs were completed for Bangladesh, the Philippines and the Pacific Islands. The latter led to the adoption of the "Suva Declaration on Sustainable Human Development" by the Ministerial Meeting of the Pacific Forum countries in August. Several reports are under preparation in other parts of the world. They are bringing a new perspective to development plans and programmes in the countries covered. The National Long-term Perspective Studies programme in Africa is active in 11 countries. Such studies also address human development and sustainability concerns; they complement the ongoing work on the national HDRs.

23. Similarly, some countries are inviting UNDP to share in their efforts to work towards SHD at the policy level. At the request of the President of Bolivia, UNDP organized and participated in a senior-level seminar to operationalize SHD in national policies, plans and budgets. In the Maldives, a UNDP-supported study entitled "Sustainable Human Development in the Maldives: a Situation Analysis" has perceptibly influenced the development debate in that country.

F. Disasters and disturbances: development and opportunity

24. The post-Cold War years have been marked by a succession of incidents of internal, often ethnic, strife in various countries. The costs, direct and indirect, of such upheavals combined with the cost of relief to the affected populations have exceeded manifold the cost of development activities in those countries. Resources for development cooperation have been diverted to relief efforts: medium- and long-term objectives have been subordinated to immediate needs. All strife cannot be laid at the door of poverty and underdevelopment: ethnic and religious differences have led to hostilities even in middle-income countries. It is none the less true that poverty and the competition for limited natural resources have often contributed to serious tension while a future without hope does nothing to inspire the search for peaceful solutions. There is a strong case for support to equitable development in order to avoid much greater support subsequently to relief efforts. This concept has come to

be known as "preventive development". An equally strong case can be made for support to measures for disaster prevention and preparedness.

25. While UNDP has SHD as its main goal, it has found itself increasingly involved in disaster situations. This is because of its extensive country presence and, sadly, because of the increased incidence of such situations. With few exceptions, the resident representative is also the resident coordinator. As recently reconfirmed in General Assembly resolution 48/209, the resident coordinator organizes and coordinates, in collaboration with other agencies in the country, international assistance. To the extent possible, the attempt is made to pursue cooperative efforts for development even in disturbed conditions. In some cases, this attempt has to be suspended, as was the case in 1994, for example, in Liberia, Rwanda and large tracts of Afghanistan and Somalia. In those instances of complex emergency, a humanitarian coordinator is named to coordinate humanitarian assistance, reporting to the Secretary-General through the Under-Secretary-General, Department of Humanitarian Affairs (DHA).

26. In other cases, as a disturbed situation improves, development cooperation resumes and the resident coordinator/resident representative function with it. The year 1994 witnessed such improvement in Cambodia, Central America and Mozambique with the situation in Angola and Haiti showing promise. UNDP has been faced with new challenges in several countries such as helping with de-mining and the reintegration of demobilized soldiers into civil society.

27. Improved political conditions permitted a notable change in UNDP ability to cooperate in Gaza and Jericho, and in South Africa.

28. The Programme of Assistance to the Palestinian People (PAPP) began in the West Bank and the Gaza Strip in 1980. It has grown steadily from $0.5 million to $25 million in 1994, attracting resources from other donors. Resources doubled from 1993 to 1994 following the Declaration of Principles signed by the Palestine Liberation Organization and the Government of Israel in September 1993. The Declaration opened new horizons for Palestinians and created new economic and social opportunities. UNDP is well positioned to continue its role as a broker between the Palestinians and the donor community.

29. The South African Government and UNDP concluded negotiations on the Basic Standard Agreement in October 1994 during the visit of President Mandela to the General Assembly. Earlier in July, UNDP had led a Joint Consultative Group on Policy (JCGP) fact-finding cum familiarization mission to South Africa, which identified, within the context of the country's Reconstruction and Rehabilitation Programme (RDP), a number of areas for possible collaborative support by the United Nations development system, including: capacity development in policy formulation and development planning, issues of gender in development, employment generation, environment protection and regeneration, population policy and programmes, basic education and land reform. These themes and sectors will be explored further during the preparation of the nation's country strategy note, together with the outcome of the International Donors Conference on Human Resources Development in the Reconstruction and Development Programme, held in Cape Town in October 1994, and for which UNDP played a key substantive and facilitative role.

30. It should be emphasized that, as a relatively new country to development cooperation, South Africa presents an unusual opportunity for the United Nations development system to function as a "system", as envisaged in the various provisions of resolution 47/199, i.e., in terms of the preparation of a country strategy note, the harmonization of programming cycles around the RDP, the creation of common premises and services, etc.

G. Gender in development

31. In the course of 1994, UNDP supported various initiatives in preparation for the Fourth World Conference on Women to be held in China in September 1995. The support was provided at the national level through the resident coordinator system and at regional levels, and included the preparation of national reports for the Conference and the facilitation of dialogue on the status of women between government, United Nations and civil society organizations. Particular attention was also given to concerns of women in situations of conflict and of transition, especially in Africa, Eastern European countries and Palestine. These efforts significantly increased the general knowledge and appreciation of the role and status of women in development.

32. In future programming, UNDP will seek to integrate the broader concept of gender in the programming process, focusing on six thematic areas for the integration of gender policy issues into governance and poverty elimination, women in crisis situations, environment, legislative frameworks and statistics and data analysis.

33. UNDP commitment to organizational gender equity was underscored by its endorsement of a policy paper on gender balance for management. Specific targets have been established to attain greater gender balance for senior management and to improve the career prospects of General Service Staff, who are predominantly female. Additionally, UNDP training programmes will include gender perspectives, and the gender disaggregated statistics programme with the JCGP will yield an important statistical base, as will the forthcoming Human Development Report 1995, which will focus on gender-in-development issues.

H. Environment

34. In August 1994, the Bureau for Policy and Programme Support (BPPS) was restructured to encompass a directorate and a number of divisions, including the Sustainable Energy and Environment Division (SEED). SEED comprises the Office to Combat Desertification and Drought (UNSO), the Energy and Atmosphere Programme (EAP), the Global Environment Facility (GEF) and Capacity 21, and was established to support UNDP efforts to incorporate environmental concerns at the earliest possible stages of economic decision-making and promote the full implementation of Agenda 21 and other UNCED agreements.

35. Office to Combat Desertification and Drought (UNSO). In addition to supporting the negotiation of the Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, UNSO continued to assist the 23 Sudano-Sahelian countries in:

environmental information systems; drought preparedness and mitigation; strategic framework processes and local-level resource management.

36. Environment and Atmosphere Programme (EAP). As a new programme, the main strategic activity of EAP to date has been the drafting of UNDP's Initiative for Sustainable Energy (UNISE), whose purpose is to support programme countries in accelerating sustainable energy programmes and to provide for greater access to improved energy technology. With respect to project activities, the main thrust was in developing a number of environmentally sound renewable energy and energy efficiency programmes on a co-financing basis with bilateral and multilateral donors. UNDP is assisting 31 countries in their efforts to phase out ozone-depleting substances (ODS) under the Montreal Protocol on the protection of the global ozone layer. UNDP cooperation helped Governments and industry design, implement, monitor and evaluate ODS phase-out projects and programmes in the following sectors: aerosols, foams, solvents, refrigeration and halon in fire extinguishers. It is estimated that this cooperation will eliminate some 8,500 tonnes of ODS by end 1996.

37. Global Environment Facility (GEF). UNDP's work in the GEF focuses on four thematic areas: mitigating climate change, conserving biodiversity, and protecting both international waters and the ozone layer (and land degradation as it pertains to these). As of December 1994, UNDP's GEF pilot phase portfolio consisted of 55 technical cooperation projects and 28 pre-investment feasibility studies which address these themes. Including the $13 million allocated to the 33-country Small Grants Programme, UNDP's pilot phase allocation totalled $278 million.

38. Capacity 21. Capacity 21 constitutes the main post-UNCED international effort to implement Agenda 21 by promoting new approaches to development; ownership of programmes by all stakeholders; responsiveness to national priorities; consensus-building within countries, and participation of all partners, including United Nations specialized agencies and contributors. During 1994, its first full year of operation, Capacity 21 developed the processes and procedures needed to help UNDP country offices in their task of supporting the development of national approaches to sustainable development and at the end of the year there was a solid portfolio of national programmes in all regions. The SDNP, which is fully integrated into other Capacity 21 initiatives, is supporting activities in 16 countries. By the end of 1994, the Environmental Management Guidelines Training Workshop, a major capacity-building initiative, had been held in 107 countries involving 2,800 participants.

I. HIV/AIDS

39. The interregional HIV/AIDS and Development Programme continued to promote awareness of the threat the epidemic poses to development. It is working with over 60 countries to reinforce national capacity to respond to the socio-economic causes and consequences of the epidemic. Among the Programme's principal focuses are ethics, law and human rights as they pertain to HIV, with networks established in the Africa, Asia and Pacific, and Latin America and Caribbean regions. The Programme also provided technical support and guidance to the creation of the Civil Military Alliance to Combat HIV and AIDS. With the

rate of infection in the military forces of some developing countries estimated to be as high as 70 per cent, the epidemic has important implications for national security as well as for the health of the communities where soldiers are stationed.

40. In parallel to programme support targeted directly and primarily at the mitigation of the HIV/AIDS epidemic, UNDP is moving to integrate HIV/AIDS considerations into all its operational activities wherever they are pertinent. For example, civil service reform programmes in several countries will have to take account of likely attrition rates due to the epidemic and should include in administrative training courses, education on the epidemic and its implications.

41. The new Joint and Co-sponsored United Nations Programme on HIV and AIDS advanced towards formal establishment during 1994. UNDP is one of the six co-sponsoring organizations, together with the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the World Bank and the World Health Organization (WHO), of the Joint and Co-sponsored Programme.

42. Member States are following with interest the process leading to the establishment of the new programme: it represents a new arrangement within the United Nations system to combat a multisectoral problem. It embodies the programme approach and effectively breaks down the vertical structure that has characterized arrangements so far.

J. 1994: The mid-year of the fifth cycle

43. The year 1994 was the mid-point of the fifth programming cycle (1992-1996). The first mid-term reviews were launched, providing insights into the extent to which the goals and focuses of the cycle - given in legislative resolutions and decisions of the General Assembly and the Governing Council - are being met. Sixteen mid-term reviews were completed: reports and analytical overviews have been presented to the Executive Board for its consideration.

44. The content of the first years of any programming cycle inevitably reflects the priorities and approvals of the previous cycle. However, because of the long term nature of most development challenges, the transition from one cycle to another did not call for a radical or sudden rupture in the areas of UNDP programme support. Country programmes approved under the fifth cycle are essentially strategic, aimed at a limited number of major national (or regional) development objectives. As such, they are distinctly more focused than in previous cycles, based on the six areas of focus specified in Governing Council decision 90/34. They also aim to reduce the number of individual projects and, as called for in General Assembly resolution 44/211, to move progressively towards the programme approach under national execution, with its strong emphasis on national ownership and commitment.

45. After the broad parameters and thrusts for the fifth cycle were established in 1990, development thinking continued to evolve, spurred on by the melting of the Cold War. The concept of sustainable human development marks an important advance in the global search for a new way of ordering human affairs - a way

that is equitable to both current and future generations in all parts of the world, one that will ensure that future generations inherit a natural resource base at least as viable as that of earlier generations. At the same time, as the imperatives of superpower politics faded, external resource transfers were judged less in terms of realpolitik and increasingly in terms of their results and impact on socio-economic goals. Partly in response to this, greater attention has been paid to the coordination of external resources inter se and with programme countries' own resources. These emerging concerns have been taken into account in the ongoing process of programming and review.

46. The majority of the mid-term reviews will be undertaken in 1995. Based on the reviews already completed or under way, it is clear that the directives of the legislative bodies have been followed and are beginning to show results. There is clear evidence of concentration of UNDP support on fewer areas in line with Governing Council decision 90/34 and Executive Board decision 94/14, with fewer individual projects. For example, in Laos projects have been reduced from 50 to 15, in Guinea from 51 to 12; and in the regional programme for Asia and the Pacific from 350 to 80. Ownership is being reinforced with an increase in the rate of national execution, which has risen from 34 per cent of approvals in 1993 to 53 per cent in 1994. Capacity development (building, strengthening, utilization and retention) is being systematically addressed.

47. There has been a perceptible shift of emphasis away from concern for inputs towards a concern for outputs, results and impact. Weakness remains in the area of measurability - the setting of verifiable targets, performance indicators and benchmarks. The issue is covered in the mid-term reviews and awareness has been reinforced of the need to include these elements at the design and review stages. However, further effort is required and is being made to ensure that measurability is fully addressed and recognized from the earliest stages as indispensable for effective monitoring, reporting and evaluation.

K. Coordination of external cooperation

48. Coordination has long been a preoccupation of bilateral and multilateral organizations. Thinking on the subject has evolved considerably, from being mainly concerned with coordination between external organizations to being focused primarily on the integration of external resources into national development programmes. The terms "aid" and "assistance" have been replaced by "cooperation"; "partnership" has replaced "donor/recipient" to describe more accurately the relationship between the parties.

49. UNDP, in collaboration with the World Bank and the secretariat of the Development Assistance Committee (DAC), organized a high-level seminar in Paris in June 1994 on the subject of technical cooperation. Attended by all DAC members and prominent representatives from developing countries, the seminar endorsed the principles of ownership, partnership and cost-effectiveness adopted by DAC in 1991. It also concluded that in many cases the new philosophy of partnership had not been matched by new attitudes and practices. The Seminar called for greater attention to capacity issues in the agenda of Consultative Groups and round-table meetings. As an organization with a specific mandate for

capacity-building, UNDP was recognized as having a significant role to play in this regard.

50. A follow-up network was formed to work to achieve the changes urged by the Seminar. As a newly admitted permanent observer to DAC, UNDP is an active participant in the network.

51. It is widely accepted that effective coordination can be achieved only by the integration of external resources with local resources in the framework of national programme frameworks, designed to meet priority national goals. In essence, this is the programme approach, which UNDP is promoting in its operational activities. The new instrument developed by UNDP for this purpose, the Programme Support Document (PSD) has been introduced in almost half of the programme countries and a training package elaborated and tested. One of the main obstacles to its more widespread application has been the lack of funds available for new programming. Experience already shows that the existence of a goal-oriented national framework attracts external resources and facilitates coordination. For example, UNDP provided $1.7 million to the Economic and Financial Management Reform and Statistical Improvement (EFMAR) programme in the Pacific subregion. This has helped to attract supplementary funding from Australia, Japan, the Asian Development Bank and the International Monetary Fund.

52. UNDP was also active with other development agencies in work towards common monitoring, evaluation and accounting systems based on national systems, which all partners would use. This would bring relief and efficiency to national administrations that are currently hard-pressed to provide information in different forms to their various external partners.

53. UNDP continued to collaborate with other agencies, programmes and funds of the United Nations system towards enhanced coordination, mainly in line with the prescriptions of General Assembly resolution 47/199 (see DP/1995/30/Add.3).

54. In February 1994, the Heads of the JCGP organizations held their annual meeting for the first time in a programme country, Bangladesh. This afforded an opportunity to focus without distraction for three days on substantive and coordination issues, to visit the programmes and projects of the various organizations, to learn at first hand more about the development challenges of the host country and to explore practical ways to improve collaboration.

55. In July 1994, the Secretary-General asked the Administrator to assist him in "ensuring policy coherence and enhancing coordination within the United Nations itself, in particular among headquarters departments, the regional commissions and the funds and programmes of the Organization" and "with overall responsibility for assisting him in improving the coordination of operational activities for development, including the strengthening of the resident coordinator system".

56. To support him in this task, the Administrator established the Office for United Nations System Support and Services (OUNS), bringing in staff from other parts of the system. The Office focuses principally on support to the resident coordinator function. In this connection, UNDP decided, with the approval of

the Executive Board, to reallocate $2 million from the SPR programme for the strengthening of the resident coordinator function. In addition, UNDP proposed significant steps to broaden the resident coordinator selection process to include candidates from the JCGP agencies and to actively involve the heads of these agencies in this process. The number of serving resident coordinators from JCGP member agencies is expected to increase. At least 40 per cent of current resident representatives have served in the United Nations secretariat and agencies other than UNDP in their careers.

57. The Administrator was also requested by the Secretary-General to contribute to the drafting of the Agenda for development and to lead collaboration in the follow-up to ICPD.

L. Organization and staffing

58. The Board met four times in formal sessions. The number of days spent in these sessions was reduced 50 per cent compared with the average time spent in the Governing Council and its Committees in previous years. The volume of documentation (other than country programmes) was also reduced by some 70 per cent. The number of decisions taken was reduced from an average of 50 to 33. There is a consensus that the work undertaken by the Board is carried out in a more direct and business-like manner.

59. In 1994, the Administrator effected a number of organizational changes at headquarters. The Office of Evaluation and Strategic Planning (OESP) and the Office for Development Studies (ODS) were set up to strengthen the functions described in their titles. Both Offices report directly to the Administrator. The Planning and Coordination Office (PCO) became the Division for Resources, Planning and Coordination (DRPC) and was transferred to the Bureau of Resources and External Affairs (BREA) and an Inter-agency Coordination and External Policy Office (ICEPO) created in the same Bureau. ICEPO provides a single focal point in UNDP for formal relations with United Nations and other external partners such as the Development Assistance Committee.

60. With the transfer of the Central Evaluation Office (CEO) function to OESP, the former Bureau for Programme Policy and Evaluation (BPPE) became the Bureau for Policy and Programme Support (BPPS). It was restructured to include four thematic divisions. The former Division for Global and Interregional Programmes (DGIP) was absorbed into this new structure.

61. Throughout the year, negotiations were held on the move to enhanced autonomy of the Office of Project Services, which became the United Nations Office for Project Services with effect on 1 January 1995.

62. Despite the fact, as illustrated above, that UNDP functions include extensive support to the United Nations development system, as a whole, and are not confined to administrative and financial services to operational programmes, it became clear in 1994 that the UNDP biennial budget would have to be further reduced to keep administrative costs in line with core programme resources. However, in so doing, it must be borne in mind that many UNDP staff resources cannot be viewed merely as "overheads". They deserve recognition as the

greatest asset of UNDP, providing to the partnership among nations knowledge, experience and ideas on the complex subject of development. They also support national efforts towards the more effective coordination of resources to achieve development goals.

63. Tragically, 17 UNDP staff members lost their lives in 1994, while serving the cause of development.

M. Resources

64. The principal work of UNDP, in which most of its financial and human resources are invested, remains its support of national development programmes. In 1994, $1,036.5 million worth of technical cooperation was delivered to over 150 countries, made up of $452.2 million from core and $460.6 from non-core resources and $123.6 million from intercountry support and other extrabudgetary resources.

65. The stagnation of UNDP core resources since 1993 and the current uncertain outlook reflect the global situation with regard to development cooperation. It is a cause for concern and regret that, notwithstanding the substantial adjustments undertaken in response to the changed conditions of the post-Cold War era, the resource base for UNDP has been seriously eroded. To some extent, the growth in non-core resources has compensated for this erosion. However, non-core resources are, by definition, supplementary to, and not a substitute for, the core. Furthermore, they are not available to all countries; indeed, they are seldom available to those countries that need them most.

N. The challenge of the future

66. In 1994, the Executive Board began its deliberations on the direction UNDP will take after the conclusion of the current fifth programming cycle. A series of papers was prepared by the secretariat, elaborating on the proposals and debates of the Board and other members of the Programme with a view to arriving at a decision by June 1995. This ongoing debate takes into account the global compacts adopted by the community of nations, the mandate for focus on SHD, as given in Executive Board decision 94/14, the need to differentiate among countries according to their varied conditions, the requirement to support the resident coordinator system, and an uncertain resource outlook.

67. Looking back to the annual report for 1990, a comparison with the UNDP of that year and the UNDP of the present is instructive.

68. During the five-year period, the understanding of development itself has undergone a change in paradigm. The United Nations, in part through its series of global conferences, has been a major actor in this evolution. Specifically, UNDP, as the principal development arm of the United Nations, has made a significant contribution to this process through its emphasis on the people-centred nature of development and the importance of sustainability - both ecologically and institutionally. UNDP is recognized for its conceptual work on capacity development and the linkage with effective governance.

69. UNDP has placed ownership of the development process by the national partners - including the externally supported elements - at the heart of its cooperation. This is reflected in the growth of national execution as well as in the progressive move to the programme approach, which also recognizes the complexity and multisectorality of development.

70. From activities scattered over a wide spectrum of disparate fields in the form of a plethora of relatively small projects, UNDP has moved steadily to concentrate its scarce human and financial resources on a small number of priority thematic goals. Given the commitments already entered into both with governments and implementing agents, this transformation has inevitably taken time: the fifth cycle is essentially a period of transition.

71. The more focused allocation of UNDP resources is increasingly evident as the cycle progresses. Poverty alleviation, with special attention to women and sustainable livelihoods, the environment, and effective governance now constitute the main thrust of UNDP support to its partner countries and regions. Several activities were unknown five years ago, such as help with electoral reform, de-mining, support for human rights initiatives and advice on new penal codes. Concern for drug-related problems and HIV/AIDS has intensified enormously during the period as the ramifications of both have become ever more serious.

72. The resident coordinator system has been accorded greater importance during the 1990s, particularly following General Assembly resolutions 44/211 and 47/199. As UNDP resident representatives are invariably the resident coordinators, this has placed increased responsibility on UNDP to enable the enhanced resident coordinator system to perform as it is called on to do. The administrative and institutional measures necessary to rise to this challenge have been taken although the policy and organizational environment has not always been clear.

73. UNDP has moved to meet the challenges and policy prescriptions given to it in the years following the ending of the Cold War. It now needs the financial resources to carry out its redefined mandate and clarification of certain ambiguities that persist with respect to some functions and roles in the context of the United Nations and resident coordinator systems.

II. EXECUTIVE BOARD ACTION

The Executive Board may wish to

Take note of the present report.